**Website product disclosure for financial products that have sustainable investments as their objective as specified in Section 2 of Commission Delegated Regulation (EU) of 6.4.2022 supplementing Article 10 of Regulation (EU) 2019/2088**

# Sustainability-related disclosure

**Article 9 fund**

**Product name:**

Frontier Renewables European Fund I

## Summary


Frontier Renewables European Fund I SCSp ('FREF I') is an alternative investment fund focused on acquiring renewable energy projects in Europe. The fund is managed by Frontier Renewables Capital SGEIC, S.A. ('FRC'), a regulated alternative investment fund manager based in Madrid, Spain.

FREF I invests with the following sustainable investment objectives:

1) Increase the renewable energy supply,
2) Reduction in greenhouse gas emissions in the energy supply.

The sustainability indicators used to measure the attainment of the sustainable investment objectives are:

› Renewable energy capacity (MW),
› Renewable energy generated (MWh),
› Estimated GHG emissions avoided.

FREF I's investment strategy is to invest in energy infrastructure assets with a sole focus on renewable energy. These include, but are not limited to:

- Offshore wind,
- Onshore wind,
- Solar power generation,
- Hydro power generation,
- Green hydrogen,
- Battery storage, or battery energy storage systems (BESS), storing renewable energy.

Any investment must be aligned with the EU Taxonomy. Investments in any type of natural gas, nuclear energy, or biofuels are excluded.

Several mechanisms and procedures ensure that the investments will do no significant harm to other environmental objectives and the sustainable investment objectives, while also complying with minimum safeguards. Consequently, we seek to achieve alignment with the EU Taxonomy for each asset.

Annual reporting on principal adverse impact metrics and the sustainability indicators ensures monitoring of FREF I and its attainment with the sustainable investment objectives. An external advisor or internal subject matter expert with an appropriate governance structure established ensures that methodologies, data sources, and data quality live up to international standards.

## No significant harm to the sustainable investment objective

FRC has mechanisms in place to ensure that the investments by FREF I do no significant harm to the sustainable investment objectives. These do not only ensure no significant harm to the sustainable investment objectives, but also follow the 'do no significant harm' principles to the further environmental objectives set forth in Article 17 of Regulation (EU) 2020/852.

1. The ESG integration procedures set forward in the ESG Policy for FREF I, incl. steps for ESG due diligence, do no significant harm and the managing and monitoring of investments.
2. As part of the development of a project (greenfield), an Environmental Impact Assessment (EIA) or Environmental Impact Study (EIS) will be carried out if required by local regulations. An EIA and EIS usually include assessment of:
   - 2.1. the reduction of emissions,
   - 2.2. impact on environment,
   - 2.3. impact on biodiversity including fauna,
   - 2.4. impact on socio-economic factors,
   - 2.5. acoustic level,
   - 2.6. cultural heritage / archaeological study, and
   - 2.7. impact on landscape.

   As a governance structure, the EIA includes a public hearing for stakeholders to raise concerns. The EIA leads to mitigating action plans, if necessary, before approval by local authorities.
   If an EIA is not required by local regulations, FRC will take the appropriate measures to ensure that investments comply with the do no significant harm criteria set forth for the asset category.
3. Sole focus on renewable energy investments.
   - 3.1. Any investment must be aligned with the EU Taxonomy. Investments in any type of natural gas, nuclear energy, or biofuels are excluded.
4. Active ownership of assets by including sustainability-related topics at board meetings and/or steering committees of assets. With a majority stake in all investments, FRC is committed to make this a priority.
5. Monitoring of sustainability performance of assets through mandatory reporting.

The principal adverse impacts (PAIs), as presented in Annex I to the Commission Delegated Act of 6.4.2022 (also known as the Regulatory Technical Standards (RTS)), are taken into account and will be reported on annually for FREF I. FRC commits to report on the following 18 PAI metrics for FREF I:

- Table 1: The 14 mandatory indicators applicable to investments in investee companies.
- Table 2: #13. Non-recycled waste ratio, and #14. Natural species and protected areas.
- Table 3: #2. Rate of accidents, and #3. Number of days lost to injuries, accidents, fatalities, or illness.

The steps presented for no significant harm on sustainable investment objectives ensure that FRC takes the material ESG factors and risks into consideration prior to investments and in management. These include procedures for taking material PAIs into account.

All investments are expected to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

## Sustainable investment objective of the financial product

FREF I invests in economic activities that have the following sustainable investment objectives:

1) Increase the renewable energy supply
2) Reduction in greenhouse gas emissions in the energy supply

The sustainability indicators used to measure the attainment of the sustainable investment objectives are:

› Renewable energy capacity (MWh)
› Renewable energy generated (MWh)
› Estimated GHG emissions avoided.

### Investment strategy

FREF I invests in energy infrastructure assets with a sole focus on renewable energy. These include, but are not limited to:

- Offshore wind,
- Onshore wind,
- Solar power generation,
- Hydro power generation,
- Green hydrogen,
- Battery storage, or battery energy storage systems (BESS), storing renewable energy.

Any investment must be aligned with the EU Taxonomy. Investments in any type of natural gas, nuclear energy, or biofuels are excluded.

We adhere to relevant laws and regulations in all the markets in which we perform our activities. Additionally, we use reasonable commercial efforts, having regard for the size and context of our operations, to align our activities with established and recognized international guidelines and recommendations, in particular the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work.

To ensure good governance practices in investments by FREF I, FRC follows the practices set forward in our internal Code of Conduct, which includes a conflict-of-interest policy, our internal manual of procedures for the prevention of money laundering and terrorist financing, and remuneration policy. FRC works to ensure good governance of each investment through our majority stake and consequently our ownership role. FRC monitors the good governance practices as active owners and at board meetings.

## Proportion of investments

All investments made by FREF I are to be “sustainable investments” as defined by Regulation (EU) 2019 2088 (SFDR) art. 2(17). Specifically, the fund is only going to make investments that meet the substantial contribution to climate change mitigation criteria, while doing “no significant harm to the other environmental objectives” and meeting the minimum safeguards as defined in article 3 of the EU Taxonomy. In addition, the fund excludes the following asset types from its investment universe: Investments in any type of natural gas, nuclear energy, or biofuels are excluded.

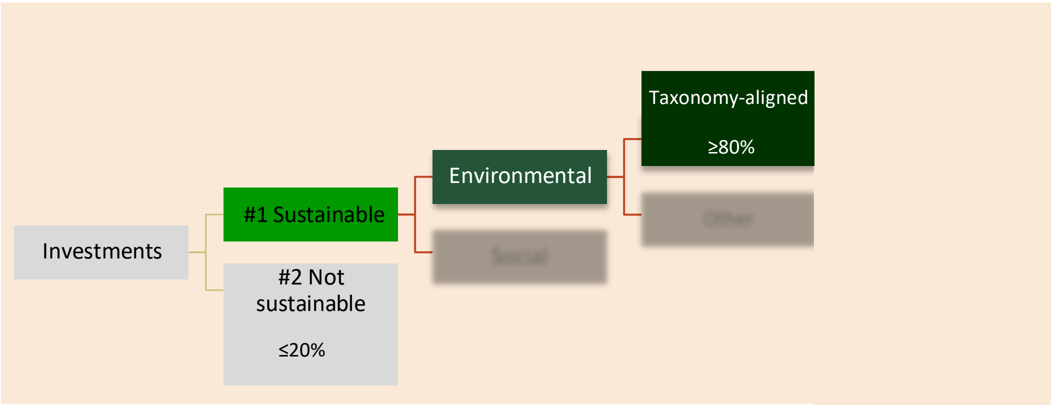
However, it is unclear if ‘cash held as ancillary liquidity’ is included in ‘market value of all investment of the financial product’ when calculating ‘the degree to which investments are in environmentally sustainable economic activities’. Therefore, we also disclose what this proportion of investments is expected to be and argue that these can be considered activities that directly enable the success of our sustainable investments and therefore ´make a substantial contribution to an environmental objective´.

By the end of the investment period, FREF I may hold up to ≤18% of the total assets under management in cash or cash equivalents in bank accounts for the purpose of providing guarantees for letters of credit, surety bonds and other instruments needed for purposes such as acquisition, interconnection to the power grid, sale of power, compliance with all permits including requirements for decommissioning, reclamation, and recycling. These are crucial to the execution of investments in the EU taxonomy aligned assets.

By the end of the investment period, FREF I may hold ≤2% of the total assets under management in cash or cash equivalents in bank accounts for the purpose of cash reserves.

These are classified as “Other” investments. All Other investments will be subject to the minimum environmental and social safeguards committed to by FREF I under its ESG Policy and DD Framework.

***Total fund value***

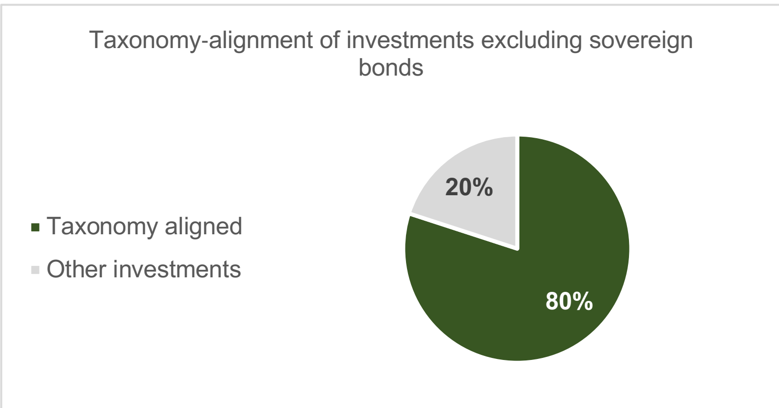



There will be no investments in transitional activities.

FREF I does not use derivatives to attain sustainable investment objectives.

FREF I does not make investments in sovereign bonds. Hence, two graphs are relevant to disclose here, one presenting the proportion of ‘investments in assets’ and one presenting proportion of investments in the total fund value.

***Total fund value***




## Monitoring of the sustainable investment objective

The attainment of the sustainable investment objective ‘increase the renewable energy supply’ is measured by the sustainability indicators ‘renewable energy capacity (MW)’ and ‘renewable energy generated (MWh)’. As these sustainability indicators are directly linked to our overall investment strategy, FRC monitors the attainment in both our investment planning for the fund and in annual reporting for FREF I.

The attainment of the sustainable investment objective ‘reduction in greenhouse gas emissions in the energy supply’ is measured by the ‘estimated GHG emissions avoided’ and is monitored through annual reporting for FREF I.

It is the responsibility of the Investment Committee and Board of Directors for FRC to monitor the development of the sustainable investment objectives and sustainability indicators.

## Methodologies

The general approach to calculating emissions avoided is done by taking the difference between the estimated $CO_2$ emissions resulting from the operation of assets, and the estimated baseline $CO_2$ emissions that would have resulted from the "business as usual" scenario in the relevant country (applying recent energy balances and emissions of these). Other industry-standard methodologies may be used, and the specific chosen methodology will be stated in the reporting of the sustainability indicator.

The other two sustainability indicators are standalone figures and do not require calculation other than aggregation from operating assets in FREF I.

This section will be updated accordingly following the first reporting cycle with operating assets.

## Data sources and processing

Data is delivered directly from the assets, consequently data sources are the assets themselves. Data is approved and checked by a representative or similar from the asset or a relevant contractor. We will either use an external advisor with specific knowledge on this type of data to ensure that data processing and calculations follow international standards or an internal subject matter expert, in which case the management of FRC is responsible for ensuring the quality of the data.

Data used for 'GHG emissions avoided' may be estimated when calculating a "business as usual" scenario. However, this will be handled by an internal subject matter expert or an external advisor with the technical know-how, using the same governance structure as described above.

This section will be updated accordingly following the first reporting cycle with operating assets.

## Limitation to methodologies and data

Investments can be made in the development stages of a renewable energy project. For these investments, there will be limitations to the data. In the beginning of the ownership period, data required to report on PAI and the sustainability indicator 'GHG emissions avoided' may not be relevant.

FRC will seek to report on these limitations in a transparent manner for FREF I. The methodology and the underlying asset's part of the calculations will be stated clearly to increase transparency.

As the investments will mature, the limitations will diminish.

The attainment of the sustainable investment objectives will not be affected by these limitations.

## Due diligence

FRC conducts ESG due diligence prior to investments by FREF I. The purpose of this is to ensure that all relevant and material ESG risks and opportunities are considered prior to investment decisions.

The ESG due diligence is conducted by the investment team, in co-operation with external expertise where required. The ESG due diligence process ensures that relevant and material ESG risks are identified, their impacts are analysed, and the risks are treated or mitigated where required. The results of the ESG due diligence are presented to FRC's management or the respective Investment Committee prior to investments.

## Engagement policies

Engagement is not part of the sustainable investment objectives of FREF I. However, FRC will take a majority stake in investments, which consequently means that FRC will take an active role in the ownership and management of the investments. We are committed to ensure integration of sustainability factors and risks in the development and management of renewable energy projects.

## Attainment of the sustainable investment objective

No index has been designated as a reference benchmark for FREF I. Each sustainable investment objective is attained through FREF I's investment strategy and applying the abovementioned sustainability indicators.